

# BRS Outlook

A Sales and Marketing Publication from the Business Research + Specialists

Issue 2

## Customer Satisfaction

### 'Satisfied Customers Still Switch'

Monitoring customer satisfaction has been utilised by many leading companies as a basis of identifying and tracking how customers feel about a supplier's performance.

Common beliefs among many companies suggest that satisfied customers are 'loyal customers' who will continue to use the services from that supplier.

*Recent studies have revealed that customers recording supplier satisfaction ratings of 'quite satisfied' (7 out of 10) may in fact still 'switch suppliers' or more likely may not see them as their 'preferred supplier'.*

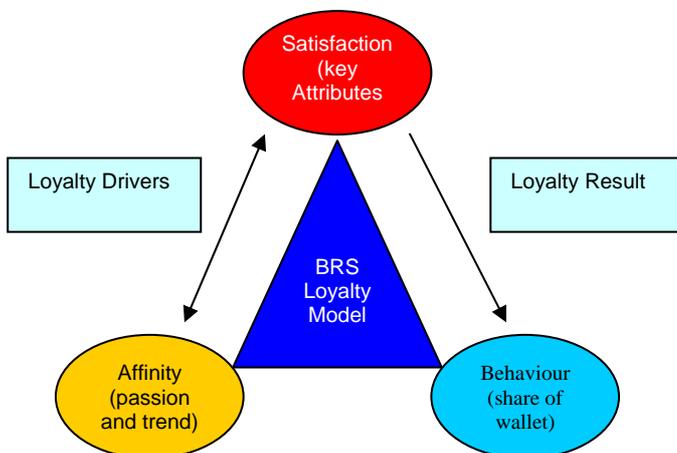
As a result satisfaction alone is not a strong predictor of loyalty, continuing to use or high share of wallet.

Traditional satisfaction studies typically obtain customers response on one dimension only i.e. satisfaction of key product and services and fails to determine 'loyalty' in terms of affinity or passion for a supplier.

Some critical elements of satisfaction and loyalty are:

- Satisfaction scores >8 out of 10 are required to predict loyalty and assure a supplier of customer retention and higher share of wallet i.e. how 'strongly' they feel
- Ascertaining share of mind of customers is a major input to identifying loyalty i.e. what they 'really' think
- Ascertaining share of behaviour through the identification of share of wallet i.e. how they really act

**These three elements are critical to customer loyalty and form the basis of the BRS Loyalty model.**



## The BRS Solution

The MMG loyalty monitor is unique and at the forefront of the latest thinking in loyalty prediction using a three dimensional model.

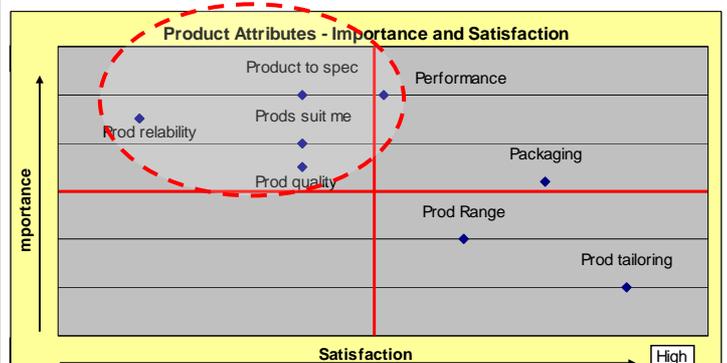
*The model is tailored to each companies business and market environment and is designed to establish qualitative and quantitative feedback on*

- Satisfaction
- Loyalty
- Share of wallet.

### Satisfaction – 'How Customers Feel'

Customer perceptions of satisfaction are collected across the key business drivers. These drivers are tailored to each companies needs but typically include:

- **Product Drivers** – range, quality, performance, packaging, conformity
- **Price Drivers** – value, competitiveness, simplicity, communications, escalation, payment
- **Service Drivers** – ordering, access, responsiveness, staff knowledge, helpfulness, ease, problem resolution
- **Delivery Drivers** – when promised, flexibility, urgent needs
- **Technical Drivers** – access, knowledge, problem resolution (B2B)
- **Channel Drivers** – choice, access, reliability, ease
- **Customer Management Drivers** – contact quality, relationship, proactiveness, planning (B2B)
- **Brand Drivers** – awareness, strength, attitude



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## Loyalty – ‘What Customers Really Think’

Customers’ affinity/loyalty perceptions are collected and modelled to ascertain the strength of loyalty and momentum of loyalty of customers.

Affinity is a ten point ‘propriety’ model which identifies the strength of loyalty of customers and momentum identifies changes in loyalty trend over the past 12 months. The model profiles customers in accordance with their loyalty into the following groups:

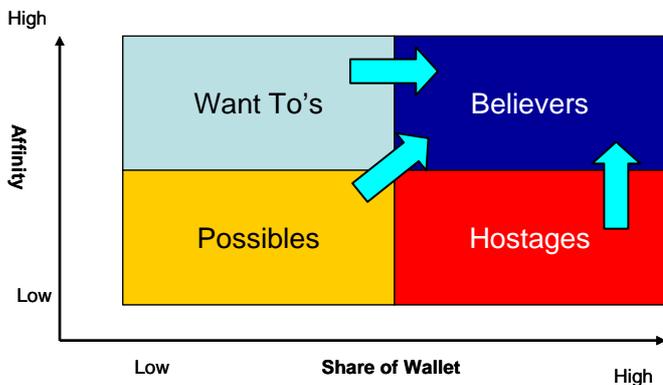
**Believers** – customers with ‘high affinity’ for their supplier and who provide a large proportion of their wallet

**Hostages** – customers with low affinity scores but for some reason still provide a large proportion of their wallet to the supplier

**Possibles** – Customers with low affinity for their supplier and who only provide small share of wallet

**Want To’s** – customers with high affinity’ for their supplier but for some reason do not provide a large proportion of their wallet

A schematic of the Affinity model is shown below:

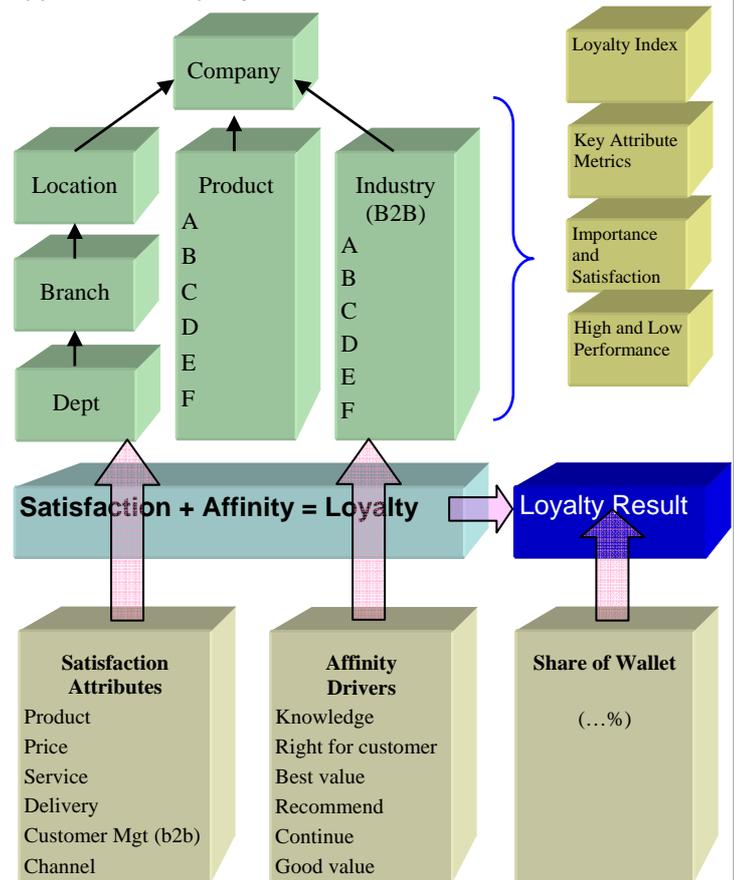


This model profiles customer loyalty status allowing tailored strategies to be developed as well as trends monitored.

The MMG Satisfaction/Loyalty monitor will allow organisations to monitor and assess customer loyalty across key ‘customer contact points’ ie individual strategic customers, complete customer bases, customer segments and channels.

## Deliverables

The key deliverables of the BRS Loyalty Model include a comprehensive set of metrics on satisfaction, loyalty and share of wallet. The following schematic details the application company wide



## Major Benefits to an Organisation

- Provides powerful insights to customers perceptions allowing proactive response and action
- Provides meaningful measurement of customer loyalty
- Actions can be applied to customer level allowing customer strategies to be developed and completed
- Provides a base to measure future performance and track changes from key initiatives monitored

For more information on the BRS Satisfaction and Loyalty Monitor please contact.

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